



## MIGRANT SEASONAL FARM WORKER HOUSING APPLICATION

### Application Process

---

#### Overview

The intent of this activity is to provide funding for the acquisition, rehabilitation, and/or new construction of housing that is used temporarily by migrant and/or seasonal farm workers while they are working at a farm or farming related business.

#### Funding Round Timeline

The application round begins on February 14, 2014. The round is an open round with no deadline for application submission.

#### Technical Assistance

The applicant may, but is not required, to schedule a technical assistance meeting with its regional IHCD Real Estate Production Analyst to discuss the proposed project. Technical assistance may be required at IHCD's discretion if the recipient does not have experience with IHCD awards or if past performance was poor. Applicants are urged to contact its Real Estate Production Analyst early in the planning process to obtain guidance and technical assistance.

#### Application Submission

The applicant must submit the following items to IHCD's Real Estate Department Coordinator:

- Via FTP site:
  - One completed copy of the final application forms
  - All supporting documents required in the tabs
- Via hard copy:
  - One completed copy of the final application forms with original signatures

Faxed applications will not be accepted. Instructions on how to utilize the FTP site will be explained during the Application Webinar. The hard copy of the final application forms should be sent to:

Indiana Housing and Community Development Authority  
ATTN: Real Estate Department Coordinator  
RE: CDBG Migrant Application  
30 South Meridian Street, Suite 1000  
Indianapolis, IN 46204

All applicants must retain a copy of this application package. Applicants that receive funding will be bound by the information contained herein.

IHCD will provide the applicant contact with a confirmation number within one (1) week of receipt of the application.





### Application Review

Each application must address only one project. Applications are reviewed for threshold items, adherence to federal and state guidelines and an underwriting review. Applications recommended for funding must be approved by the IHCD Board of Directors. Applications not funded will not be rolled over into another funding round.

### CDBG & HOME Award Compliance Manual

The Compliance Manual outlines the requirements for administering IHCD's CDBG awards. A complete copy of the Compliance Manual is available on IHCD's website here:

<http://www.in.gov/myihcda/2401.htm>

### Eligible Applicants

Eligible applicants include cities, towns, or counties that are located within Indiana but outside of CDBG entitlement communities and whose proposed activities are consistent with the State's HUD-approved Consolidated Plan. Not-for-profit 501(c)3 or 501(c)4 organizations, CHDOs, public housing authorities, regional planning commissions, or townships are encouraged to participate in activities as subrecipients of local units of government but must apply through a sponsoring eligible city, town, or county.

The following entitlement communities are not eligible to apply for CDBG funds:

Anderson	East Chicago	Gary	Indianapolis**	LaPorte	New Albany
Bloomington	Elkhart	Goshen	Kokomo	Michigan City	South Bend
Carmel	Evansville	Hamilton County*	Lafayette	Mishawaka	Terre Haute
Columbus	Fort Wayne	Hammond	Lake County	Muncie	West Lafayette

\*The Town of Sheridan excluded when the housing activity is outside of Hamilton County. The Town of Arcadia is excluded.

\*\*Excluding the Marion County Cities of Beech Grove, Lawrence, Speedway, and Southport. The Town of Cumberland is excluded when the housing activity is outside of Marion County.

### Ineligible Applicants

IHCD reserves the right to disqualify from funding any application that has either an applicant, subrecipient, administrator, preparer or related parties of any of the aforementioned has a history of disregarding the policies, procedures, or staff directives associated with administering any program administered by IHCD or programs administered by any other State, Federal, or affordable housing entities, including but not limited to the Indiana Office of Community and Rural Affairs, the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture - Rural Development, or the Federal Home Loan Bank.



Additionally, any entity currently on IHCD's suspension or debarment list is ineligible to submit an application. IHCD's Suspension and Debarment Policy can be found in the Compliance Manual Chapter 17.

### Religious and Faith-Based Organizations

Organizations that are religious or faith-based are eligible to participate in the CDBG programs on the same basis as any other organization. Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided.

A religious organization that participates in the CDBG program will retain its independence from Federal, State, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct CDBG funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a CDBG-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents. An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

## Eligible Migrant/Seasonal Farm Worker Housing Activities

---

### Purpose

The purpose of farm worker housing is to provide decent, safe, and affordable on-farm housing to farm workers. Assistance is available through local units of government to growers who are owners of existing or vacant housing provided for low-income farm workers.

### Eligible Activities

The intent of this activity is to provide funding for the acquisition, rehabilitation, and/or new construction of housing that is used temporarily by migrant and/or seasonal farm workers while they are working at a farm or farming related business.

Migrant/seasonal farm worker housing may be in the form of traditional apartments, group homes, or single-room-occupancy units (SROs).

### Eligible migrant/seasonal farm worker activities **DO NOT** include:

- Rehabilitation of dormitory or barracks style housing camps unless you are converting them to apartments or SRO units.
- The use of a facility for an emergency shelter or transitional housing.
- CDBG funds may not be used for supportive services or operating expenses.

### Eligible Beneficiaries

- Individuals or families assisted must be persons that are members of groups presumed by HUD to be of low to moderate income (i.e., migrant/seasonal farm workers) and presumed by IHCD to be at or below 30% of the area median income for that county; therefore, income verification is not required. This requirement remains in effect throughout the affordability period.
- An eligible migrant/seasonal farm worker is a person employed in agricultural work of a seasonal or other temporary nature who is required to be absent overnight from his or her permanent place of residence.
- Eligible beneficiaries do not include immediate family members of an agricultural employer or a farm labor contractor, and temporary H-2A foreign workers. H-2A temporary foreign workers are nonimmigrant aliens authorized to work in agricultural employment in the United States for a specified time period, normally less than 1 year.

### Subsidy Limitations

- Maximum award amount is limited to \$250,000.
- Maximum CDBG funds per bed may not exceed \$25,000.

### Migrant/Seasonal Farm Worker Housing Provisions

- All migrant/seasonal farm worker housing must provide a minimum floor space of eighty (80) square feet per occupant. All units must provide running water.



- Rehabilitation must meet all Indiana State Board of Health standards for farm worker housing. All migrant and seasonal farm worker housing must obtain a permit to operate from the Indiana State Department of Health. In addition, the construction, installation, or modification of any facility may not begin without having a valid construction permit issued in accordance with the Indiana State Department of Health. An application for a permit to construct any facility must be made at least ninety (90) days prior to the date construction of the facility is to commence.
- Recipients of CDBG awards for migrant seasonal farm worker housing will be required to report certain information about beneficiaries of assisted units to IHCDA annually throughout the affordability period in the Annual Rental Report.





## Program Requirements

The proposed CDBG project must follow these minimum requirements, and all other requirements laid forth in the Compliance Manual, to be eligible for funding. For further details on each requirement, please see IHCD's Compliance Manual. The link and the appropriate chapter are included.

- Recipients must comply with all regulatory requirements listed in [24 CFR Part 570](#).
- The homeowner beneficiary must be income eligible. Each household must have an annual income equal to or less than 80% of the area median family income for the target area. The HUD Part 5 definition of income applies. (IHCD [Compliance Manual](#), Income Verification Chapter 8)
- Each homeowner beneficiary assisted with CDBG-D funds must execute a Duplication of Benefits Affidavit ("Affidavit") a copy of which will be attached to the applicant's award agreement with IHCD as Appendix A. This Affidavit must be maintained in the applicant's client files.
- Income verification is valid for a period of six months. If more than six months pass between income verification and contract execution a new income verification will be completed. (IHCD [Compliance Manual](#), Income Verification Chapter 8)
- The homeowner beneficiary must own the property and must occupy the property as a principal residence. (IHCD [Compliance Manual](#), Policy Requirements Chapter 1)
  - If there is a long-term lease agreement on the property, a 99-year lease must be recorded in the county recorder's office of the county in which the property is located prior to award document preparation.
  - Ownership does not include life estates and land contracts/contracts for deeds.
- All IHCD-assisted units must be inspected twice during the award period. The first inspection will occur at the completion of the documented scope of work and prior to the IHCD Inspector's final physical inspection. The second inspection will be conducted upon completion of the construction for the award. The IHCD Inspector will conduct the physical inspections. (IHCD [Compliance Manual](#), Construction Standards & Physical Inspections Chapter 14)
- Provide a minimum of two (2) public hearings, each at a different stage of the process, for the purpose of obtaining citizens' input and responding to proposals and questions. (IHCD [Compliance Manual](#), Policy Requirements Chapter 1)
- The match/leverage requirement for both the CDBG and CDBG-D programs is ten percent (10%) of the total amount of CDBG or CDBG-D funds drawn minus administration costs. (IHCD [Compliance Manual](#), Policy Requirements Chapter 1)
- All awarded recipients are required to complete the environmental review record (ERR) The resulting IHCD Release of Funds is required before fully executed award documents are released and before proceeding with the project. (IHCD [Compliance Manual](#), Environmental Review Chapter 11). For more information, contact the IHCD Design and Construction Review Manager.
- Award recipients will be required to provide proof of adequate builder's risk insurance, property insurance, and/or contractor liability insurance during construction and property insurance following construction for the assisted property throughout the affordability period of the award. Additionally, owner-occupied rehabilitation must also stipulate that adequate property insurance be maintained throughout the affordability period. (IHCD [Compliance Manual](#), Procurement Procedures Chapter 10)





February 2014

- The recipient must follow competitive procurement procedures when procuring all materials, supplies, equipment, and construction or professional services related to the CDBG award. (IHCD [Compliance Manual](#), Procurement Procedures Chapter 10)
- Each recipient of a CDBG award is subject to the HUD requirements of addressing lead-based paint hazards pursuant to 24 CFR Part 35. If a risk assessment is required, then all lead-based paint issues must be addressed. (IHCD [Compliance Manual](#), Lead Based Paint Chapter 2)
- Each recipient of a CDBG award is subject to the requirements of the Uniform Relocation Act. See the IHCD's [Compliance Manual](#) Chapter 4 on URA for guidance on the regulatory requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, the Federal regulations at [49 CFR Part 24](#), and the requirements of [Section 104\(d\) of Title I of the Housing and Community Development Act of 1974, as amended](#).
- Every recipient must demonstrate that it will complete an action to affirmatively further fair housing during the time frame of an award. (IHCD [Compliance Manual](#), Fair Housing and Civil Rights Chapter 5)
- Recipients receiving \$200,000 or more in construction funding from all CPD programs (i.e. CDBG, HOME, NSP, HOPWA, ESG, etc.) in a program year must comply with the Section 3 requirements. Section 3 provides preference to low- and very-low-income residents of the local community (regardless of race or gender) and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. (IHCD [Compliance Manual](#), Section 3 Chapter 7)
- All CDBG and CDBG-D subsidies must be secured throughout the affordability period by a recorded lien and restrictive covenant agreement created by IHCD. The affordability period begins after project completion. During the affordability period the home must remain the owner's principal place of residency; and the homeowner is required to maintain adequate homeowner insurance on the property. (IHCD [Compliance Manual](#), Lien and Restrictive Covenants & Affordability Requirements Chapter 15)

Amount of CDBG or CDBG-D subsidy per unit:	Affordability Period
Under \$15,000	5 years
\$15,000.01 - \$40,000	10 years
Over \$40,000.	15 years

- Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English ("limited English proficient persons" or "LEP") may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter. In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, the recipient must agree to take reasonable steps to ensure meaningful access to activities funded by federal funds by LEP persons. Any of the following actions could constitute "reasonable steps", depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the





project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.

### **Eligible Activity Costs**

The bolded items listed below are included in the application budget. If you have a question about which line item an expense goes under, contact your IHCD Real Estate Production Analyst.

**RETAINAGE POLICY** - IHCD will hold the final \$5,000.00 of an award until the completion reports, leverage documentation, and closeout documentation is received and approved. Additionally, IHCD will hold the final \$5,000.00 of an award until the final monitoring and final inspection have been completed and all findings and/or concerns associated with them have been resolved.

### **REHABILITATION** – Eligible costs include:

- Hard costs associated with rehabilitation activities for owner-occupied repairs. Examples of eligible repairs are an inoperable or faulty furnace, leaking roof, unsafe electrical wiring and plumbing, hazardous structural conditions, etc.
- Lead-based paint interim controls and abatement costs.
- Mold remediation.
- Utility connections and related infrastructure costs - off-site connections from the property line to the adjacent street are eligible when it is deemed a threat to health and safety. Improvements to infrastructure when there will be no rehabilitation work done on the actual house to be served.

### **NEW CONSTRUCTION** – *Only available for migrant/seasonal farm worker housing.*

Eligible costs include:

- Hard costs associated with new construction activities.
- Utility connections including off-site connections from the property line to the adjacent street.
- Related infrastructure costs - improvements to the development site that are in keeping with improvements of surrounding, standard housing activities. Site improvements may include on-site roads and water and sewer lines necessary to the development.
- Costs to construct an on-site management office, the apartment of a resident manager, or laundry or community facilities which are located within the same building as the housing and which are for the use of the tenants and their guests.
- Stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners.
- Contingency funds used for unanticipated hard cost overruns or change orders.

**PROGRAM DELIVERY** - Program delivery costs are those costs that can be directly tracked by address. They include soft costs and client-related costs that are reasonable and necessary for the implementation and completion of the proposed activity. This line item along with administration and environmental review cannot exceed twenty percent (20%) of the CDBG request. Recipients are allowed to draw down this line item as costs are incurred. Additionally, program delivery may be used to payoff a HOME CHDO Predevelopment or CHDO Seed Money loan but may not exceed the twenty percent (20%) line item cap.

Eligible costs include:

- Engineering/Architectural Plans
- Credit reports







- Client in-take / Income verification
- Plans, specifications, work write-ups
- Credit reports
- Title Searches
- Impact fees
- Inspections
- Cost estimates
- Building permits
- Recording fees
- Demolition permits
- Travel to and from the site
- Legal and accounting fees

**RELOCATION** - This includes relocation payments and other relocation assistance for permanently and/or temporarily relocated individuals, families, businesses, nonprofit organizations, and farm operations where assistance is required and appropriate. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket expenses for temporary relocation purposes. For additional information on relocation and displacement, please refer to the information provided in the IHCD's Compliance Manual.

**LEAD HAZARD TESTING** – Costs associated with lead hazard testing includes Risk Assessment, Clearance Test, etc. The limits for this line item are \$1000.00 per unit.

**ADMINISTRATION** - The administration line item includes those costs directly related to administering the IHCD award and complying with the regulations associated with these funds. This line item along with program delivery and environmental review cannot exceed twenty percent (20%) of the CDBG request and generally is between \$5,000 and \$10,000. Recipients are allowed to draw down this line item as costs are incurred. Costs associated with preparing an application for funding through IHCD are not eligible for reimbursement through a CDBG award.

Eligible costs include:

- Postage
- Office materials and supplies
- Photocopying
- Office rent and utilities
- Travel related to the housing activity
- Communication costs
- Lead based paint training
- Staff time or professional services related to reporting, compliance, monitoring, or financial management
- Training related to the housing activity



**ENVIRONMENTAL REVIEW** – This line item includes expenses associated with the Environmental Review Release of Funds process. This does not refer to a Phase I Environmental Assessment. Those expenses should be included in the Program Delivery line item. This line item along with program delivery and administration cannot exceed twenty percent (20%) of the CDBG request. Eligible costs for this line item are generally between \$2,000 and \$5,000 and include professional services, publication costs, photocopying, and postage. For further information regarding this activity, please read the Environmental Review Guide found in Chapter 11 of the IHCD Compliance Manual or contact Adrienne Schmetzer, IHCD Design and Construction Review Manager.

#### **Ineligible Activity Costs**

- Commercial development costs - CDBG awards cannot be used to underwrite any portion of commercial development costs.
- Replacement Reserves – Funds used to initially capitalize a reserve fund used for major capital repairs to a permanent supportive or rental housing facility. These funds cannot be applied to a CDBG award. These funds can be capitalized either through operating cash flow or through the development budget on the Uses of Funds exhibit.
- Operating Reserves – Funds used to initially capitalize a reserve fund that covers operating expenses when there are rental income shortfalls over the life of a permanent supportive or rental development. This line item must be included on the Uses of Funds exhibit. These funds cannot be applied to a CDBG award.
- Developer's Fee – CDBG funds cannot be used to pay developer's fees.
- Costs associated with preparing an application for funding through IHCD.
- Purchase or installation of luxury items, such as swimming pools or hot tubs.
- Purchase or installation of equipment, furnishings, tools, or other personal property that is not an integral structural feature, such as window air conditioner units or washers and dryers.
- Purchase or installation of stoves, refrigerators, built-in dishwashers, garbage disposals, and permanently installed individual unit air conditioners.
- Providing tenant based rental assistance.
- Mortgage default/delinquency correction or avoidance.
- Loan guarantees.
- Annual contributions for operation of public housing.
- Costs associated with any financial audit of the recipient.

